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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIFTH COUNTRY PROGRAMME FOR THAILAND

Programme period	Resources	$
January 1992-December 1996	Net IPF	27 118 000
	Estimated cost-sharing	-
	Total	27 118 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Since 1987, Thailand has achieved a remarkably high average annual growth rate of 10.5 per cent. Growth has been accompanied by a gradual restructuring of the economy away from one based largely on agricultural commodities towards one more reliant on manufacturing and services, including tourism. In 1980 agriculture produced 23 per cent of gross domestic product (GDP) while manufacturing produced 21 per cent. In 1990 agriculture had dropped to 12 per cent and manufacturing had increased to 26 per cent. The share of services in GDP increased from 12 per cent in 1980 to 13.6 per cent in 1990. Manufactured exports grew 19.8 per cent in 1986 and 34.2 per cent in 1987 in real terms. This increase contributed significantly to the growth of the Thai economy in the late 1980s.

2. Recent growth has been largely export-driven fueled by massive foreign investment as well as domestic savings. Exposure to highly competitive export markets and direct foreign investment is raising the technological sophistication and competence of Thai industry to a fairly advanced level. As a result the demand for skilled workers with at least secondary education is expected to increase from 32 to 38 per cent of the total work force during the Seventh Plan period.

3. Thailand has had success in combining economic growth with improvements in the quality of life for a growing share of its people. Social indicators compiled over the past decade indicate a significant improvement in human development in Thailand. The UNDP Human Development Report 1991 ranked Thailand 66th among 160 countries on the human development index. Per capita gross national product (GNP) has increased from about $100 in 1961 to approximately $1,400 in 1990, and the incidence of absolute poverty has declined. The proportion of the population living below the official poverty line fell from 30 per cent in the mid-1970s to 23 per cent in 1988. Thailand has achieved an average life expectancy of 66 years, and an adult literacy rate of 91 per cent; of those who are illiterate, twice as many are women as men. Health services have been accessible to over 70 per cent of the population since 1985, while 78 per cent have had access to safe water and 70 per cent to sanitation since 1989.

4. Women have played an important role in the Thai economy. In agriculture, industry, the household and progressively in the public sector and business, they have been a major factor in development. Women are entering the labour force at a rate faster than men, i.e., 3.8 per cent versus 3.2 per cent, and the number of women heading households is now over 22 per cent. This is bringing important changes in the family and signaling the need for policies that specifically address women's well-being.

B. National development objectives and strategies

5. Thailand's economy is at a transitional stage. In the years ahead, the growth of the Thai economy must increasingly depend on the expansion of domestic demand as well as export-driven manufacturing. Some of Thailand's current comparative advantage in both agriculture and labour-intensive industries will shift to regional competitors who offer lower wage rates and land prices. This will oblige Thailand to further diversify its agricultural and manufacturing sectors while increasing the local value-added content of its products and services through a steady improvement in the economy's technological and skills base.

6. A number of critical bottlenecks and social imbalances pose constraints however, on future growth and development:

(a) The changing pattern of demand for labour has resulted in shortages of needed skills and an inability of the education system to keep up with new demand, particularly in engineering, technological and scientific fields;

(b) Infrastructure is inadequate to cope with economic expansion;

(c) Depletion of the country's natural resource base and degradation of the environment are on the increase;

(d) Expansion of cultivated lands, the basis of increased agricultural production, has encroached on forests and wetlands; the scarcity of new land poses a major challenge for agriculture;

(e) Complexities of public administration have slowed the public response to a number of emerging problems;

(f) Disparities in the distribution of income have widened despite an overall reduction in the incidence of poverty; and

(g) The spread of acquired immunodeficiency syndrome (AIDS), which is a global problem, may affect the productivity of the labour force and will have far-reaching effects on Thai family life and family health.

7. Faced with the challenges of maintaining and managing Thailand's economic transformation, the Seventh National Economic and Social Development Plan for Thailand (1992-1996) attempts to strike a balance between economic growth, quality of life and social justice. Following are the three major objectives:

(a) To sustain economic expansion at an appropriate level with continuity and stability;

(b) To redistribute income and decentralize development prosperity to the regions; and

(c) To improve the quality of life, preserve natural resources and protect the environment.

II. EXTERNAL COOPERATION

A. Role of external cooperation

8. Official development assistance (ODA) to Thailand represents about 6 to 8 per cent of total government expenditures. The UNDP contribution has averaged about 1.5 per cent of ODA. Total ODA commitments to Thailand in 1989 equaled $406 million including disbursement of a number of outstanding World Bank loans.

9. In 1990, the five leading bilateral donors to Thailand were Japan, Germany, the United States of America, Australia and Canada. ODA is expected to decline in coming years as major European and North American donors gradually reduce their aid programmes in favour of commercial ties. The five major sectors receiving assistance in 1989 were: natural resources, agriculture, forestry and fisheries, human resources development and development administration.

B. Aid coordination arrangements

10. The Government coordinates foreign aid programmes through the Department of Technical and Economic Cooperation (DTEC) in the Office of the Prime Minister. To accompany the national plan, it prepares a technical assistance programme (TAP) that identifies the main external technical assistance requirements for the plan period.

III. THE COUNTRY PROGRAMME

A. Assessment of the ongoing country programme

11. The Fourth UNDP country programme continued the approach adopted for the third programme which was to focus on problem-oriented themes rather than sectors. The themes served as a broad framework for a large number of relatively small projects, average size being $400,000. The four themes as derived from the Sixth National Social and Economic Development Plan were: (a) economic management and institutional reform; (b) human resources and social development; (c) production, marketing and research and development of new technologies; and (d) natural resources and environment.

12. During the course of the implementation of the fourth country programme, increased emphasis was given to projects focusing on human resources and social development (from 19 per cent to 26 per cent) and natural resources and environment (from 15 per cent to 21 per cent). The share of production and infrastructure-oriented projects decreased from 47 per cent to 36 per cent. These trends reflected the Government's growing concern that rapid economic growth should be accompanied by an improvement in the quality of life and a balanced distribution of income. It also reflected UNDP's comparative

advantage in addressing human development and increased attention by the Government and UNDP to environmental concerns. Similar objectives are being emphasized in Thailand's Seventh National Plan and will remain areas of focus for the fifth UNDP country programme.

13. Individual projects financed by UNDP under the fourth country programme were, on the whole, both highly pertinent to Thailand's development needs and implemented in a flexible manner. Because of the broad scope of the fourth country programme themes and the diversity of projects proposed for UNDP financing, however, an assessment of overall impact was difficult. The mid-term programme review indicated that for management efficiency and greater impact, it might be preferable in future to concentrate UNDP efforts on fewer, more interrelated activities.

14. Within the diversity of the programme, several projects achieved a broader success because they addressed not only localized problems, but also issues of a wider sectoral or policy nature. This was the case of the work carried out under the regional cities project and the AIDS programme.

15. Conversely, other projects, such as some in forestry, although successful in themselves, had limited impact because of countervailing factors at work in the sector or economy as a whole. Greater attention will be paid to such external factors in the design of new programmes for the fifth cycle.

B. Proposals for UNDP cooperation

1. Preparatory process

16. In anticipation of the preparation of the fifth country programme, assessments of UNDP-assisted projects were commissioned from local consultants. Written comments on the fourth country programme implementation and proposals for the fifth country programme were furnished by various United Nations agencies. The findings of an independent case study on the UNDP programme in Thailand carried out by the Danish International Development Agency (DANIDA) were also taken into account.

17. To discuss in the specific context of Thailand the issues designated as priorities by the Governing Council in its decision 90/34 of 23 June 1990, six brainstorming sessions were organized by UNDP with eminent persons from the public and private sectors, the bilateral donor community and the United Nations agencies. A presentation on the policies and priorities of the Seventh National Economic and Social Development Plan was given by the Secretary General of the Office of the National Economic and Social Development Board (NESDB). OTEC and UNDP also participated in a number of seminars organized by NESDB to review policy options for the Seventh Plan in key sectors. Sectoral missions, with United Nations agencies participating, on industrial development, population, regional urban development and water and sanitation provided useful inputs.

18. DTEC, while drawing up its technical assistance plan for the Seventh Plan period, consulted with line ministries on thematic concept papers containing proposals for programmes to be carried out under the fifth country programme. It requested them to identify their specific technical assistance needs in relation to the priorities outlined in the fifth country programme.

19. United Nations system organizations were invited to comment on the concept papers and the draft country programme. Donor representatives were also invited to comment on the draft programme with a view to enhancing complementarity in areas of common interest.

2. Strategy for UNDP cooperation

20. The Government proposes that in the fifth cycle UNDP resources be directed towards assisting Thailand's transition from a largely agricultural to an agro-industrial and service-based economy in a manner that achieves balance between growth, equity and a sustainable living environment. This strategy does not address problems such as physical infrastructure bottlenecks that are likely to be covered by private financial flows. Rather, it focuses on issues of importance to government policy-making and implementation.

21. Because UNDP cooperation is neutral and non-commercial, it will be used by the Government to support activities which are innovative in nature, require independent advice or for which external assistance is needed to initiate capacity-building. With its global perspective, UNDP can provide worldwide access to fresh ideas and new technologies to help the country to meet the challenges arising from its rapid economic growth. The strong emphasis placed by UNDP on human development is highly relevant to two key themes of the national policy: income distribution and the quality of life.

3. Proposed UNDP cooperation in selected areas of concentration

22. In keeping with the national development agenda, the Government proposes to focus UNDP fifth cycle cooperation on three themes or policy objectives which are central to the seventh National Development Plan:

(a) Income distribution and regional prosperity. Assist the Government in its human development efforts so that people and sections of the country that have not fully benefited from recent economic growth can do so in future;

(b) Environment and natural resources management. Help sustain growth while protecting and enhancing the quality of life; and

(c) Human resources development. Develop the system of education and training in line with evolving socio-economic requirements, expand access to education and training opportunities especially for rural people, and educate the population to prevent the spread of AIDS.

23. With respect to other priority concerns of UNDP for the fifth cycle, the issue of technology for development will be dealt with throughout the country programme with special emphasis on technology for small and medium-scale industry, agricultural diversification and agro-industry, preservation of the environment and natural resources, and education and training in science and technology. Women in development will be an integral part of each programme in order to enhance the effective participation of women in Thailand's development and reduce their marginalization or exploitation in future. The integration of women's issues into national development planning will be encouraged. Management development will figure centrally in programmes on small-scale enterprises and the environment. Poverty alleviation and grass-roots participation are goals of relevance to all three priority areas, but especially that of income distribution and regional prosperity.

24. Thailand is already sharing its development experience by providing advice and training in appropriate technology to other developing countries, especially in Indo-China. Thailand's participation in technical cooperation among developing countries (TCDC) will be further expanded through increases in government funds set aside for this purpose to be managed by DTEC.

(a) Income distribution and regional prosperity

National development objectives

25. Development in Thailand until the late 1980s was characterized by widening gaps in income between the rich and the poor; between Bangkok and the rest of the country. After 1986, overall income inequality and the incidence of poverty decreased slightly as a result of sudden economic expansion, but poverty in the Bangkok Metropolitan Area was on the increase.

26. In spite of these trends, in 1990 there were still 16.5 million Thai people below the poverty line with an overwhelming 14.7 million of them living in rural areas, the incidence of poverty being greatest in the Northeast (38 per cent) and the least in the Bangkok Metropolitan Region (BMR) (3.4 per cent).

27. Roughly 60 per cent of the labour force in Thailand still lives in rural areas and engages mainly in agricultural activities. Of these, approximately 47 per cent are females. Incomes from farming are expected to increase only marginally in future, particularly for rice and other traditional field crops which are subject to intense competition and fluctuating prices in the world market. Increases in agricultural production have been achieved mainly by bringing more land under cultivation, often at the expense of the forest cover, rather than by increasing productivity. There is scope, therefore, for improving yields as well as for further diversification. But it is not certain that such a strategy will lead to increased incomes for small farmers and the rural poor unless they gain greater access to training, information, technology and markets.

28. The Government, in its Seventh Plan, aims to use a number of instruments to tackle income distribution such as fiscal and budgetary measures, pricing policies, and regulations on land use and ownership. It also plans to increase rural incomes and living standards, expand employment opportunities, provide greater security to farmers and low-income urban dwellers and disperse economic activities to new economic zones and other regions beyond the BMR.

Proposed UNDP cooperation

29. UNDP support will be used to promote income-earning opportunities for low-income rural dwellers and in the development of selected regional municipalities through three programmes:

(a) Income opportunities for rural producers;

(b) Small and medium-scale enterprise development outside the BMR; and

(c) Regional urban development.

30. In implementing these programmes, close links will be maintained with the programmes under the human resources development theme which addresses training and education issues that must be taken up in order to prepare an increasing proportion of the rural population for non-farm employment. They will build on extensive previous UNDP experience in Thailand in crop diversification, extension and rural development as well as earlier work done on regional development.

31. Income opportunities for rural producers. The objective of this programme is to assist the rural poor to participate more fully in diversified agricultural production and agro-processing and thereby achieve more viable and stable income earning opportunities.

32. The operational strategy calls for UNDP cooperation to be used to analyse the impact of policies which affect participation of the poor in diversified agricultural production, agro-processing and other small-scale agro-based industries, and to strengthen policy planning, monitoring and assessment. It will help promote increased capability of farmers' and small producers to respond to evolving market demands; expand poor farmers' and small producers' access to information on production, long-term credit, post-harvest technology and marketing; improve and expand the Government's agricultural extension system and enhance non-governmental organization (NGO) and private sector participation in extension-type activities; improve and expand producer-processor linkages and promote diversified agricultural production and processing in such potentially high employment/income areas as fruits, vegetables, dairy, livestock and aquaculture.

33. The main target or indicator of success will be an increase in stable incomes from agriculture and agro-based industry for an increasing number of both male and female producers, especially small producers.

34. Development of small and medium-scale enterprises. The promotion of small and medium-scale enterprises throughout the country will be pursued as an important means to provide off-farm employment and to help to reduce income disparities between income groups in urban and rural areas and between regions.

35. The strategy for this programme will be to use UNDP cooperation to help to analyse the policy environment for these enterprises and enhance the Government's institutional capacity to respond to their needs and the needs of potential entrepreneurs for information, marketing networks and technical services. Both public and private sectors will be involved in establishing information systems and services. Non-capital-intensive industries and target groups will be identified for skill up-grading and the role of NGOs in this area will be encouraged. Human resource requirements related to small and medium-scale enterprises will be determined and training set up through the formal and non-formal education systems. The United Nations International Short-Term Advisory Resources (UNISTAR) programme of UNDP will be explored as a source of advisory services on the development of small and medium-scale enterprises.

36. A primary indicator of success of the programme will be a measurable increase in rural employment in small-scale enterprises and an increased capacity for those enterprises located outside the BMR to give access to markets and to develop viable product lines.

37. Regional urban development. To counterbalance the over-centralized and uncontrolled growth which has occurred in Bangkok in recent years, the seventh Plan seeks to encourage the development of regional cities and urban areas. To do this, there is a need to increase institutional capacity and train personnel at the local level to manage regional urban growth, protect the environment in regional cities and deliver regional urban services efficiently and equitably. The Government has an objective to decentralize administration and investment and to increase the participation of municipalities and their citizens in their own development; to improve opportunities for employment and training in regional urban areas; to reduce poverty; and to target the development of 21 regional cities and border towns including provision of services in an integrated and cost-effective manner.

38. The programme strategy aims to focus UNDP cooperation on designing policy and programme options for regional urban development including peri-urban development; increasing the institutional capacity of local officials to plan, manage, monitor and evaluate regional urban development; identifying needs and modalities for providing low-cost housing and community services to the urban poor; and identifying and developing potential for private sector, community group and NGO participation in regional urban development.

39. Indicators of achievement will include shifts in public expenditure from BMR to regional cities and development responsibility to local authorities; completion of medium and long-range urban plans for regional cities and increased participation by the private sector in regional urban development.

Complementary assistance

40. Complementary assistance will be both multilateral and bilateral. Based on a UNDP feasibility study on diversification in Thailand's Northeast region, a sizeable loan from the International Fund for Agricultural Development (IFAD) is under discussion to stimulate alternative income-generating activities. The European Community is providing approximately $12 million to developing fruit and vegetable production in the same region. The Food and Agriculture Organization of the United Nations (FAO) is implementing a project on policy formulation and planning for agro-industrial development. The United Nations International Drug Control Programme (UNDCP) will continue its assistance to crop substitution and village development. The United Nations Population Fund (UNFPA) provides support to demographic studies and related projects.

41. For regional urban development, complementarity will be achieved through UNDP intercountry projects, the Regional Network of Local Authorities for the Management of Human Settlements for Asia and the Pacific (CITYNET), and Asia 2000 and with the United Nations Centre for Human Settlements (Habitat)/World Bank activities on urban management. The Economic and Social Commission for Asia and the Pacific (ESCAP) will continue to execute a UNDP-financed project on management of human settlements which includes Thailand. The United Nations Children's Fund (UNICEF) is expected to support a basic needs survey for municipalities in Thailand. Germany will provide general planning assistance to small and medium-sized towns as well as for urban environmental management.

(b) Environment and natural resources management

National development objectives

42. The rapid growth of the Thai economy has been accompanied by a serious deterioration in the environment and the natural resource base. Problems include equitable access to clean water supplies; water pollution from households and industries; disposal of solid and hazardous waste from households, industries and hospitals; air pollution and acid rain from growing industrial, power plant and vehicle emissions; flooding and mud-slides due to excessive deforestation; degradation of watersheds; and declining soil productivity. Public awareness of the problems and of alternatives for their amelioration is relatively low, though increasing. The Government is committed to strengthening the capacity of the country to undertake a major effort to protect, conserve and rehabilitate the environment and the natural resource base, and to set standards to guide development that is environmentally sound.

Proposed UNDP cooperation

43. Previous UNDP activities to protect the environment and natural resources were concentrated largely in the forestry sector and UNDP will continue to support the Finnish International Development Agency (FINNIDA) project to develop a forestry master plan for Thailand. In the more recent past, UNDP

has played an advocacy role for environmental protection reflecting global concerns as well as regional and national requirements and has actively supported Thailand's preparations for the United Nations Conference on Environment and Development (UNCED) to be held in 1992. UNDP will continue its advocacy role and follow-up UNCED in the context of the programmes outlined below.

44. In the fifth cycle, UNDP cooperation will be used to contribute to the following activities in Thailand:

(a) Capacity-building for national environmental management;

(b) Cost-effective approaches to water pollution control: river basin clean-up; and

(c) Mitigation of environmental hazards.

45. Capacity-building for national environmental management. The strategy which UNDP cooperation will support aims to increase the use of appropriate management and analytical tools for planning, implementing and monitoring of environmental and natural resources protection including, for example, natural resources accounting; pollution control and waste disposal; expand the capacity for environmentally sound energy planning and conservation; increase the country's ability to address new regional and global environmental issues; further environmentally sound land use planning and protection of biodiversity; update environmental laws and regulations, and build up a popular constituency for environmental protection.

46. Indicators of success will include increased institutional capacity for national environmental management, environmentally sound land use management, increased private sector and NGO participation in solving environmental problems and up-dated environmental protection legislation and means for enforcement.

47. Cost-effective approaches to water pollution control: river basin clean-up. Pollution of major rivers and coastal areas where population and industrial density is high is a serious problem in Thailand today. For instance, the Chao Phraya river basin, which is the main artery for Thailand with approximately 20 million people living on, from and near it, suffers from severe pollution.

48. The Government has set itself the target of reducing pollution in the lower reaches of the Chao Phraya and Thachin Rivers, coastal tourist areas, and urban water bodies that are used for water supply. It aims at initiating a concerted effort by a number of government agencies involved, the private sector, NGOs, as well as multilateral and bilateral donors.

49. UNDP cooperation will be used for formulating integrated water policies and action plans to ensure adequate protection of water quality and sustainable use of water resources in the river basin. It will contribute to

identifying and testing non-polluting technologies for waste management, identifying environmentally-friendly manufacturing processes and to joining public and private initiatives in detecting and controlling pollution.

50. Success indicators will include the targeted reductions in pollution, increased waste management and recycling and, in the longer run, changed attitudes and behaviour as regards water pollution.

51. Mitigation of environmental hazards. Thailand has experienced in recent years several major natural disasters and industrial accidents causing serious environmental damage and, in many cases, loss of lives. The objective of this programme, therefore, is to strengthen the administrative capacity of the Government to control hazardous materials and wastes which have increased significantly with rapid economic development, as well as to mitigate or respond to such natural disasters as floods and mudslides resulting from deforestation and unplanned land use. Stimulating public awareness of these problems is especially vital.

52. The strategy for which UNDP cooperation will be required will include development of a comprehensive national and regional plan for natural disaster mitigation, response and rehabilitation. It will also develop a national preparedness plan for disaster prevention in industrial areas. Both will require government capacity-building and improved coordination among government agencies and with industry and the private sector. This strategy will include the promotion of public awareness of major environmental hazards among both men and women and the health effects of toxic substances. The Government will build on UNDP cooperation during the fourth cycle which developed a plan for an early warning system for natural disasters.

53. Success indicators will include reduction of disasters; improved institutional capacity for natural disaster prevention, mitigation and response management; increased control of toxic wastes; and better public awareness of environmental hazards.

Complementary assistance

54. The potential sources for complementary financing include: the United States Agency for International Development (USAID) and the Japan International Cooperation Agency (JICA) in the area of capacity-building for environmental management; USAID in water/toxic pollution control; the Canadian International Development Agency (CIDA) in the same area but at the provincial levels as well as in forestry policy; DANIDA in promoting an environmentally sound "model city" and cost-effective technology; and the Australian International Development Assistance Bureau (AIDAB) in environmental education. FINNIDA and UNDP are already cooperating with the Government in the preparation of a master plan for forestry. The World Bank, the United Nations Environment Programme (UNEP) and UNDP are working together with the Government to identify projects for funding under the Global Environment Facility (GEF) and the Interim Multilateral Fund under the Montreal Protocol for the Protection of the Ozone Layer. A first project in energy conservation and reduction has already been approved for GEF funding and funding is available for activities on ozone depletion.

55. The Government has recently established its own environmental fund which will be an important potential source of cost-sharing or co-financing.

(c) Human resources development: education and training

National development objectives

56. The present system of education and training in Thailand will be adapted under the Seventh Plan to meet the needs resulting from the rapid transformation of the economy and society, and to promote greater equality of opportunity for all. Despite strides in education and literacy in Thailand, enrolments in secondary schools are below those in other countries in Asia with a comparable per capita GNP. The vast majority of women in the labour force are less educated than men; in 1990, 83 per cent of Thailand's workforce had only a primary education or less. Thus, there is a growing shortage of skilled technical and managerial workers in both the public and private sectors. Vocational and non-formal education require further adaptation to emerging demands for skills. Higher education needs to emphasize science and technology. Inequities between urban and rural areas and among specific groups in the population in the provision of basic education are contributing to widening gaps in income. The curriculum in secondary schools is aimed chiefly at university entrance. Curricula in general need to be revised in such areas as science, math, environmental awareness, problem-solving and health education. Teachers need to be trained in new methods and subjects.

57. The epidemic of human immunodeficiency virus (HIV) officially began in Thailand in 1984 when the first case of AIDS was detected. The latest estimates of the AIDS Division of the Ministry of Public Health are that there are currently about 700 reported AIDS and AIDS related cases, and an estimated 200,000-400,000 HIV-infected persons. It is projected that by the year 2000, if there is no significant change in behaviour, there will be from 2 million to 4 million cumulative HIV infections in Thailand.

58. Education on AIDS is an important means to changing the behaviour of the at-risk population in Thailand where community acceptance and adequate care of HIV-positive cases are needed.

Proposed UNDP cooperation

59. UNDP support will be used for three programmes under this theme:

(a) Education for all:

(b) Education and training for livelihood and transition from school to work; and

(c) Prevention of AIDS and care of AIDS victims.

60. Experience already gained in Thailand by UNDP in non-formal education, technical training, AIDS prevention and control and educational uses of the

communications media will be drawn upon in the design of the new programmes. The Jomtien Strategy adopted at the Global Conference on Education For All will provide guidance.

61. Education for all. In line with the recommendations of the Jomtien Conference, Thailand aims to increase access to education by raising enrolment of males and females in grades 7-9 especially in rural areas; increasing access to basic education and relevant skill training for rural, low-income and other disadvantaged groups including women and girls; increasing access to at least one year of pre-school education; improving links between different types and levels of education and training; promoting innovations that will improve access; increasing the scope of learning processes; and upgrading the quality of teaching.

62. UNDP assistance will be used to support strategies to develop flexible, durable and cost-effective learning networks to meet the changing needs for basic education; initiate action research on factors contributing to persistent illiteracy and drop-out and low transition rates from primary to secondary school; up-grade teachers and officials in the education and training sector in relation to new methods and required subjects; and analyse data for policy formulation; and test options for increasing access to basic education, especially in rural areas with emphasis on girls.

63. Targets or indicators of achievement might include reduced repetition and drop-out rates of boys and girls in primary school; increased enrolments in grades 7-9 including that of girls; new training modules for grade 7-9 teachers; and improved quality of teaching as measured by enrolments and achievements of students.

64. Education and training for livelihood and transition from school to work. The objective of using UNDP support will be to help up-grade and diversify skills and prepare the present and future labour force, especially in rural areas, for changing socio-economic conditions.

65. The strategy will emphasize innovation based, for example, on studies of primary school leavers and increased capacity for action research on vocational education requirements for a changing society. It will begin to develop with industry and other employers more intensive and systematic models for vocational education and training linked to the needs of the economy. It will review employer hiring practices, the role of information, employer incentives, and patterns of labour training including compensation, duration, drop-out and trainability as a function of level and quality of formal education, gender and degree of employee financing of pre-service training.

66. The primary indicator of achievement in the long-run will be a better match between skills required and attained as measured in part by the employment rate, and the number of graduates, both male and female, with enterprise competency and skills in such fields as management, engineering, science and technology.

67. AIDS prevention and care of AIDS victims. The objective of the programme will be to educate and change at-risk behaviour of the population in general and to provide information and advice on care and counselling of HIV-positive persons especially at the community level.

68. The Government will use UNDP resources to broaden its campaign against the spread of AIDS at schools and universities, in the workplace, at construction sites and community centres, and among the police and the military; to establish counselling for AIDS victims and to conduct research on and help monitor changes in attitudes and sexual behaviour in order to develop Thai-specific strategies, including community-based approaches, to prevent the spread of AIDS.

69. The main indicators of achievement will be reduction in the incidence of HIV-positive cases in certain at-risk groups and the general population. Increased availability of community services for those already affected will be an important outcome.

Complementary assistance

70. Complementary assistance for education and training may be available in the form of an Asian Development Bank grant to the Department of Non-Formal Education for planning, budgeting and monitoring. Japan is funding research on links between formal and non-formal education. A number of donors, including UNDP have contributed to the studies prepared for the 1991 Thailand Development Research Institute Year-End Conference on "Educational Options for the Future of Thailand". The World Bank's study "Thailand's Education Sector at a Crossroads" (1990) has provided useful background for UNDP programming as has the Basic Research and Implementation in Developing Education Systems (BRIDGES) study on primary education in Thailand funded by USAID. Several bilateral donors continue to provide institutional linkages between Thailand and their universities and training institutes in liberal arts and scientific and technical studies.

71. Bilateral assistance to the national AIDS prevention programme will continue. UNDP and the World Health Organization (WHO) have provided a major investment to stimulate development of the national programme; and since 1989 the Government has increased its own input sixteen fold to $7.3 million. This will be an important source of cost-sharing or co-financing. The International Labour Organisation (ILO), UNFPA and UNICEF are also funding activities in this field.

C. Assistance outside main country programme areas

72. An unprogrammed reserve is being established to fund a small number of activities which fall outside the scope of the areas of concentration of the country programme, but which are also considered to be of urgent priority by the Government. It will not exceed 5 to 10 per cent of total UNDP IPF resources available.

D. Implementation and management arrangements

73. A programme approach will be more fully applied than previously to help focus UNDP cooperation for purposes of impact management, monitoring and evaluation. The Country Programme covers the entire five years of the Government's planning cycle. The identification of specific activities to be financed under each programme, however, will cover the first three years of the cycle to allow the necessary flexibility to respond to emerging needs within the framework of each programme and in the light of implementation experience.

74. Indicators of success will be monitored from the outset using baseline data. Related government and donor-supported activities that contribute towards achieving programmes' objectives will also be monitored. A mid-term review will be held in 1993 and revisions made as required.

75. Most activities to be funded by UNDP will be nationally-executed. With regard to implementation, a flexible approach will be adopted to enable use of a variety of approaches and partners. The objective is to access the best possible expertise (Government, United Nations system, private sector, NGOs) and adopt the most cost-effective approaches. Particular consideration will be given to available expertise in Thailand and to the accumulated experience and expertise available in the United Nations system of organizations.

76. Programme management will be a subject of particular attention in order to ensure the coordinated and harmonious implementation of the various programme elements. As most programmes will involve more than one government agency, it might be necessary to appoint programme managers with the responsibility of ensuring substantive and financial integrity in programme implementation. The Government has had prior experience in executing USAID, UNICEF and EC-supported programmes using similar modalities. The proper use of resources will also be ensured through external audits and programme evaluation.

77. Links with the intercountry programme for Asia and the Pacific will be encouraged. Regional and subregional activities to be assisted by UNDP are expected to reinforce country interventions in a number of areas such as environmental management and human resources development.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Dollars)	
Carry-over from fourth cycle IPF	1 000 000	
Fifth cycle IPF	26 118 000	
Subtotal IPF		27 118 000
Programme cost-sharing (Government: carry-over from fourth cycle)	-	
Project cost-sharing (third party)	-	
Programme cost-sharing (Government)	-	
Subtotal cost-sharing		-
Total		27 118 000

II. ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars			Percentage of total resources
	IPF	Cost-sharing	Total	
Income distribution and regional prosperity	8 135.4	-	8 135.4	30
Environment and natural resources management	8 135.4	-	8 135.4	30
Human resources development (education and training)	8 135.4	-	8 135.4	30
Subtotal	-	-	-	
Unprogrammed reserve	2 711.8	-	2 711.8	10
Total	27 118	-	27 118	100

III. ESTIMATED COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES

(Dollars)

A.	UNDP-administered funds		
	SPR	-	
	UNCDF	-	
	UNSO	-	
	UNIFEM	-	
	UNRFNRE	-	
	UNFSTD	-	
	Subtotal		-
B.	Other United Nations resources		
	JCGP participating agencies		
	UNFPA	2 500 000	
	UNICEF	13 000 000	
	WFP	-	
	IFAD	-	
	Other United Nations agencies (non-UNDP-financed)	-	
	Global Environment Facility (anticipated) (including multilateral fund)	30 500 000	
	Subtotal		46 000 000
	Total non-core and other United Nations resources		
C.	Non-United Nations resources		-
	Total		46 000 000

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Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	Women in development
I. INCOME DISTRIBUTION AND REGIONAL PROSPERITY						
Income opportunities for rural producers	*	*		*	*	*
Development of small- and medium-scale enterprises	*	*	*		*	*
Regional urban development	*	*	*		*	
II. ENVIRONMENTAL AND NATURAL RESOURCES MANAGEMENT						
Capacity-building for national environment management		*	*		*	
Cost-effective approaches to water pollution control: river basin clean-up		*	*		*	*
Mitigation of environmental hazards	*	*	*		*	
III. EDUCATION AND TRAINING						
Education for all	*	*	*		*	*
Education and training for livelihood and transition from school to work	*		*	*		*
Prevention of AIDS and care of AIDS victims	*			*		*

a/ Asterisk indicates major linkage only.

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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR THAILAND

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. Throughout the preparatory process, the Government has played the leading role. The first step was the mid-term review of the fourth country programme held in February 1989 and chaired by the Department of Technical and Economic Cooperation (DTEC), the government body responsible for aid coordination in Thailand. Subsequently, a series of assessments by local consultants on projects assisted by UNDP in the fourth cycle was commissioned. Written comments on the implementation of the fourth country programme were also furnished by various agencies of the United Nations.

2. Brainstorming sessions were organized with eminent persons from the public and private sectors, the bilateral donor community and United Nations agencies to discuss in the national context the six issues designated as UNDP priorities by the Governing Council in its decision 90/34 of 23 June 1990. The staff of DTEC and UNDP also participated in a number of seminars organized by the National Economic and Social Development Board (NESDB) to review policy options for the Seventh National Economic and Social Development Plan. UNDP, moreover, provided assistance to studies on urban transport, manpower planning and urban development which contributed to the preparation of the Seventh National Economic and Social Development Plan (1992-1996).

3. On the basis of the priorities established in the Seventh Plan, DTEC prepared the Government's technical cooperation programme for the plan period providing the framework within which the country programme objectives were

elaborated. UNDP held consultations with bilateral and other multilateral donors including NGOs on coordination of external assistance, cooperation strategies and co-financing possibilities.

4. Sectoral missions on industrial development, population, regional urban development and water and sanitation, with the participation of the United Nations Industrial Development Organization (UNIDO), the World Bank and the United Nations Population Fund (UNFPA), the United Nations Centre for Human Settlements (Habitat), provided useful inputs for the country programme preparation. Findings of an independent case-study on the UNDP programme in Thailand carried out by the Danish International Development Agency (DANIDA) also served as an input to the preparatory process.

II. ANALYTICAL COMMENTARY ON THE FIFTH COUNTRY PROGRAMME

5. Thailand's economy is undergoing rapid change from a largely agricultural one to an agro-industrial and service-based economy. This restructuring has generated some serious social, environmental and management problems. Thailand's significant economic growth has contributed to a steady increase in the well-being of a majority of its population; but at the same time income disparities have widened to the detriment of a rural poor and the growing number of urban poor. Severe environmental degradation has been associated with the quickening of economic growth. Emerging needs have required Thailand to adapt its education and training system and to promote the further development of indigenous managerial, technological and entrepreneurial capacity.

6. As Thailand endeavours to manage the present process of economic growth and restructuring, UNDP cooperation, which is non-commercial and neutral, allows for world-wide access to relevant information and innovations. Using a programme approach, the Government has translated the mandate of UNDP in relation to human development into the following three areas of concentration which reflect both government objectives and the priorities laid down in Governing Council decision 90/34: income distribution and regional prosperity; environment and natural resources management; and human resources development (education and training).

7. To achieve its objectives for income distributoin and regional prosperity, the Government, drawing upon previous UNDP experience in Thailand, has identified programmes which will contribute to the goal of increasing the share of national income for rural men and women. The focus will be on increased opportunities for employment and income through agricultural diversification and agro-industry and promotion of other small- and medium-scale rural enterprises. It is expected that this programme will also help to facilitate a shift in emphasis and resources from the centre to the municipalities by increasing the capacity for urban planning and financing at the local level and provision of services to the poorest urban dwellers.

8. The Government is committed to improving the environment and protecting scarce natural resources. With the support of external cooperation, including that of UNDP, programmes in the second area of concentration selected for the fifth country programme, environment and natural resources management, will be undertaken. UNDP has played an advocacy role on environmental protection in Thailand and has contributed to Thailand's preparations for the United Nations Conference on Environment and Development (UNCED). Efforts have also been made by UNDP and the Government to identify projects for funding from the Global Environment Facility (GEF). The fifth country programme will take a focused approach to building capacity, creating awareness of both public and private responsibility for environmental protection and enhancing Thailand's capacity to identify costs and manage the factors that can contribute, for example, to water pollution control, waste management and recycling, improved legislation and enforcement, and reduction in environmental disasters from toxic substances and other hazards.

9. In the area of human resources development, the Government has targeted a sharp increase in enrollments in grades 7-9 and a reduction in drop-outs from primary schools, especially in rural areas. Also expected is greater skill development for both males and females to meet the changing demands of the economy for trained workers and managers. Based on experience gained in funding non-formal education pilot projects, UNDP will cooperate in the design of a non-formal education strategy for Thailand as well as in the further development of the concept of learning networks to help achieve the Government's objectives of basic education for all in keeping with global goals set at the World Conference on Education for All.

10. The national acquired immunodeficiency syndrome (AIDS) programme will continue with further inputs from UNDP to help to expand its scope by funding activities that address the broad socio-economic implications of AIDS and associated behavioural issues. The objectives are to reduce the incidence of new human immune deficiency (HIV)-positive cases and increase Thailand's preparedness to care for those who are affected and their families.

11. With respect to other priority concerns of UNDP for the fifth cycle as laid out in Governing Council decision 90/34, the issue of transfer of technology for development will be dealt with throughout the country programme with special emphasis on technology for small- and medium-scale industry, agricultural diversification and agro-industry, preservation of the environment and natural resources and education and training in science and technology. Women in development will be an integral part of each programme in order to enhance the effective participation of women in Thailand's progress and to reduce their marginalization or exploitation in future. The integration of women's issues into national development planning will be encouraged. Management development will figure centrally in programmes on small-scale enterprises and environment. Poverty alleviation and grass-roots participation are goals relevant to all three priority areas, but especially that of income distribution and regional prosperity.

III. MANAGEMENT OF THE FIFTH COUNTRY PROGRAMME

12. The Government has decided to pursue a programme approach more fully than the broad thematic framework adopted in the past. One aim will be to focus UNDP cooperation within the Government's programme and to identify more clearly the impact of UNDP activities through improved monitoring and assessment. Based on the three areas of concentration, a limited number of programmes will be developed and implemented. An annual review of each programme will be conducted. Indicators of success will be identified and monitored from the outset using baseline data. A mid-term review of the country programme will be held in 1993 and adjustments made in the programme to reflect changing circumstances.

13. Most activities to be funded by UNDP will be nationally executed and the Government will draw upon a variety of implementation modalities and partners. The objective is to access the best possible expertise (e.g., government, United Nations system, private sector, non-governmental organizations (NGOs)) and adopt the most cost-effective approaches. Particular consideration will be given to available expertise in Thailand and to the accumulated experience and knowledge available in the United Nations system of organizations.

14. A management structure will be established to ensure the coordinated and harmonious implementation of the various programme elements. As most programmes will involve more than one government agency and in some cases NGOs and the private sector, consideration will be given to appointing programme managers responsible for ensuring substantive and financial integrity in programme implementation. The Government has had experience in executing other donor programmes using similar modalities. The use of resources will also be monitored and assessed through a regular auditing procedure. While the country programme covers the entire five years of the government planning cycle, the identification of specific activities to be financed under each programme will cover the first three years of the cycle. This will allow a degree of flexibility for UNDP to respond to emerging needs within the framework of each programme and in the light of implementation experience.

15. For each of the programmes to be undertaken, a programme formulation framework will be prepared. Detailed programme documents will spell out the modalities of implementation and financing including possible cost-sharing and co-financing. Opportunities for accessing government funds created for development in the fields of environment and AIDS control, among others, will be examined and further contacts with donors made to actively seek cost-sharing arrangements.

16. The Government will monitor donor support for each programme. Programme management arrangements will be designed to facilitate both government and UNDP oversight of the activities that make up the programme and of any other activities under way which are seen to contribute to common development objectives.

17. Regional and subregional activities to be assisted by the UNDP intercountry programme for Asia and the Pacific are expected to reinforce country interventions in a number of areas such as environmental management and human resources development. The Government is playing an active role in the intercountry programming exercise.

IV. RECOMMENDATION

18. The Administrator welcomes the emphasis being given to human development through a focused programme approach in the fifth country programme for Thailand and recommends its approval.